

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

Nevertheless, given that once a finality rejection has been issued, we are faced with the prospect that the examination is almost close and hence our submission here is based on 37 CFR 1.116 where we respectfully ask the examiner to reconsider our amendments in Appendix 1 and supported rebuttal as below. In addition, we have also submitted a  
5 declaration under 37 CFR 1.131 with evidence to show that our claimed invention was fully conceived before 30 July 1999 to remove this prior art.

While 102(e) permits the use of an earlier filing date but only so when the subject matter can be supported in the later publication. Therefore, we will first look for the citation provided  
10 by the examiner and check if the said revealed subject matter exist in the provisional. If it does then it is accepted. In short the provisional must be the final determiner of subject matter and not the CIP publication although the source citation must originate from the CIP. We believe this is a better procedural step to avoid the cumbersome task of justifying what is or is not new subject matter. By simple reasoning, if it is found in the provisional application  
15 then it is prior art else it is not. New matters include amended paragraphs including additional words, new diagrams, new words or meanings either broadening or narrowing a range or meaning etc.

Our suggestion to use the provisional application as the single prior art was communicated to  
20 the examiner and supervising examiner on the May 3, 2003. The supervisor examiner has responded May 5, 2003 outlining that they can only use the application publication US 2002/0073046 A1 as the prior art under 102(e) which does not permit the use of a provisional application as a prior art but nevertheless can claim the earlier filing date if the subject matter is supported by said provisional application.

On the matter of removing the finality, we have not heard any responses from the examiner  
25 on this matter since our appeal dated 21 April 2003. We assume that is still status quo at the time of this submission.

## **2. Status of Claims:**

Examiner has stated that Claims 13,15,17,19,20-22, 24 are rejected under 102(e) as being  
35 anticipated by David, US Patent Application No US 2002/0073046 A1. (herein CIP) For the purpose of our rebuttal, we relied on the common logic that subject matter necessarily exist in said CIP application must also exist in the first provisional application to avoid reading new matter. To avoid unnecessarily narrowing subject matters, we also applied the provisional application in its entirety.

As for Claims 16,20,25, they are collectively rejected over David (application publication US  
40 2002/00734046 A1). Similarly a 103(a) rejection assumes the filing date of provisional application as indicated by the examiner hence it follows that such subject matter must be found in the earlier filed provisional application.

Application number: 09/396005

Art Unit: 3621

Applicant: Khai Hee Kwan

Examiner: Le, David Q.

Title: Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

As for Claims 14, 18, 23 they are collectively rejected under a 103(a) over David in view of Stimson US Patent 5577109.

We will examine and provide rebuttal evidence as follows below using the provisional application as herein containing the subject matter alleged to be found in Application US 2002/0073046 A1 as inherently they must exist in order to be a prior art as at filing date 30 Jul 1999.

**3. US Provisional Application No 60/146,628 By David Sanchos Enrique (herein refers as David)**

The invention relates to systems and methods for implementing secure transactions. More particularly, the methods relate to a system which permits purchases of merchandise to be made over a computer network, whereby the purchaser may feel confident that personal credit card information is not at risk of being stolen and the merchant may be more confident that the purchaser is bona fide. (Field of the invention)

The method relies on the business relationships between the member computers which forms the structure of the Internet. In most ISP-end user relationships, the ISP has available the credit card information of the user for purposes of using ISP gateway's service. Each time a user logs in, an IP address is assigned to the user which is used as identification and monitoring. When a user purchase goods on the internet from a merchant, the merchant's computer generate a purchase authorization request which includes information about the purchase and the user's ID such as the IP address and send this information to the ISP. On receiving this information, the user is checked at the IP to confirm the order. Upon receipt of confirmation, the ISP sends notification to the merchant agreeing to pay for the invoice and generates a purchase on the user's credit card to be settled as per normal. The ISP acts as the clearing house in this instance between the merchant and user. (pg 5)

**4. Our Claimed Invention.**

Our claimed invention is a system, method and article for making payment on a data/voice network such as the Internet. Specifically, the novelty is to enable such payment in lieu of a banking facility by using a prepaid card including a method for converting local currency to a foreign currency using a stored formula and method to link stored value to an user identifier. The invention also provides for presenting the payer's identifier directly to the host server instead to the vendor including total anonymity. Unlike David's we do not use a credit or debit card which signifies linking back to the banks. And because we use a prepaid card, we are able to settle between the merchant and user instantly without having to stand as guarantor or clearing house. And because we use prepaid cards, anonymity is preserved as in using real money. Our payment steps are also unique because we have one step of

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

receiving a transaction code from the vendor to the user that must be produced in order to authenticate the purchase. David's invention does not have this step and instead the ISP has to query the user for the IP address to establish a relationship. Our verification step is also not taught by David which includes checking both transaction codes received at the host (ISP in david) using a checksum method. For example, say Merchant ID is X then any codes issued by the said merchant must equal to  $X=A+B$  where A is code for host server and B is for user where user has to present to host for checksum authentication. This means at any instance our codes are dynamic while in David, its static as in an IP address. Furthermore, our claimed invention includes intra-fund transfer for users with identifier accounts which is not suggested by David. The above are representatives of the feature differences between these two inventions.

Our claimed invention as described in Claims 13-25 consist of 6 main independent Claims 13, 15, being the class of "method". Other claims are similar except for their classes type. In brief, Claim 13 describes a method for payer to pay another with an account identifier in a host server with funds linked to the payer's account identifier. Neither David's Provisional or Stimson teach this element. The method shows a series of steps executable at the host server by a payer independently over a network including inputting payer's and payee's account identifier and payer's passwords and funds information. Similarly Claim 15 describes a novel way of making payment using a merchant server, host server and payer by having payer inputting transaction code send by vendor ie dependent on payee or vendor. Traditionally in the art, vendor send purchase request directly to host server. It should be noted that while this is not a limitation per say but the spirit as read in our specification is to enable payment in lieu of a banking facility which limits the invention to pre-paid card rather than a credit or debit card as per David. Note that the debit feature is only introduced in the David's CIP and hence not admissible.

#### **5. The test of anticipation under section 102(e)**

The standard for anticipation is rigorous requiring that every element of the claimed invention, as arranged in the claim, be disclosed either specifically or inherently by a single prior art reference. See *Minnesota Mining & Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc.*, 976 F.2d 1559, 1565 (Fed.Cir.1992); *Scripps*, 927 F.2d at 1576-77; *Lindemann Maschinenfabrik GMBH, v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1458 (Fed.Cir.1984). Every element of the challenged claim need not be expressly delineated in the single prior art reference, but may be inherently disclosed by prior art if "the prior art necessarily functions in accordance with the limitations" of the challenged claim. *King*, 801 F.2d at 1326; see also *Standard Havens Prods., Inc. v. Gencor Indus., Inc.*, 953 F.2d 1360, 1369 (Fed.Cir.1991), cert. denied, 506 U.S. 817, 113 S.Ct. 60, 121 L.Ed.2d 28 (1992).

Judge Learned Hand succinctly explained the status of anticipation by saying:

No doctrine of the patent law is better established than that a prior patent or other publication to be an anticipation must bear within its four corners

Application number: 09/396005

Art Unit: 3621

Applicant: Khai Hee Kwan

Examiner: Le, David Q.

Title: Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

adequate directions for the practice of the patent invalidated. If the earlier disclosure offers no more than a starting point for further experiments, if its teaching will sometimes succeed and sometimes fail, if it does not inform the art without more how to practice the new invention, it has not correspondingly enriched the store of common knowledge, and it is not an anticipation.

*Dewey & Almy Chem. Co. v. Mimex Co.*, 124 F.2d 986, 52 U.S.P.Q. 138 (2d Cir. 1942).

#### **6. Summary : Differences between provisional and CIP on subject matters**

Before we examine the claims in details with the examiner's assertion, it will be useful to summarize the various subject matter not found in the provisional application as tabulated below in Table A.

Table A

Provisional ( page reference)	Subject matter (Underlined means unsupported subject matter)	CIP- Examiner's citation
<p>Most purchases are conducted in the following manner: a purchase selects his merchandise and the vendor requests payment by one of several methods one of which includes payment by providing credit card information. (pg 1)</p> <p><i>No mentioned of browsers or websites etc in provisional application only world wide web as part of the internet. There is no specific teaching of payment with a prepaid amount linked to a user account identifier. The wording here is too broad for it to be meaningful.</i></p>	<p>Most purchases are conducted in the following manner: a purchaser using a <u>browser</u> application on his local client computer connects via his computer's modem to a dial-up ISP and makes connections through the ISP to various Websites, URL. Purchase selects his merchandise and the vendor usually requests payment by one of several methods, one of which includes payment by providing credit card information</p>	<p>P 7</p>
<p>It is thus an objective of the present invention to provide a method for</p>	<p>Thus, it is an object of the present invention to provide a system and method for implementing secure transactions <u>including</u></p>	<p>P 10</p>

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

<p>potential on-line buyers of merchandise marketed over the internet to pay for those purchases without exposure to the risk of credit card theft by electronic interception. (pg 3)</p> <p><i>Nothing in provisional application mentioning anything beyond purchase. And even if this is admissible, we submit that it is so broad as to be meaningless and if it has not correspondingly enriched the store of common knowledge then its not anticipated.</i></p>	<p><u>but not limited to purchases over a computer net work.</u></p>	
<p>The purchase authorization request contains information about the merchandise to be purchases, identifying information about the proposed purchaser, some of which is the identifying information assigned by the ISP to the subscriber. (Pg 5)</p> <p><i>No mention of currency in provisional application.</i></p>	<p><u>Currency</u></p>	P 139
<p>These objectives and others not specifically enumerated herein are achieved by the invention disclosed herein which comprise a method for providing payment to an on-line merchant for services or goods provided to an on-line buyer. The</p>	<p>The objectives and others not specifically enumerated herein are achieved by the invention disclose herein which comprises a <u>system and a method for providing transfer of a deliverable which may be goods and services or may include information, data or anything else to a recipient who meets the selected criteria. In the case of goods and services, the recipient may be a trustworthy purchaser who provides, through the</u></p>	P 22

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

method relies on the business relationships between the members computers which form the structure of the Internet. (pg 3)  <i>In provisional application, only ISP is taught and it uses a relationship for effecting its transaction.</i>	<u>system, a commitment for payment to an on-line vendor for services or goods provided to an on-line user. In the present invention the recipient will receive the deliverables without having sensitive identifying information such as credit card information passing over the public and unsecured Internet. The system and method of the present invention provides added security and comfort of knowing that an independent, uninterested third party is confirming the identities of the parties involved and the validity of each and every transaction, in real time and the further security of knowing that at no time is the user's critical information, such as credit card information, being exposed over the World Wide Web.</u>	
<i>No mention is found in provisional application.</i>	<u>Debit Cards</u>	P 85-88
<i>Password but only in Fig 3,4 for confirming a transaction. Fig 6 does not exist in provisional application</i>	<u>User, password, User ID, Fig 6</u>	Fig 6, associated text
<i>IP is mentioned. Fig 7 is not found in provisional application</i>	Includes IP of User, <u>Fig 7</u>	Fig 7, associated text
<i>No mention since Fig 8 is not found in provisional application</i>	Includes <u>PC finger print, Fig 8</u>	Fig 8, associated text
According to surveys and other marketing data, there always has been and there still exists a high percentage of the population which is deterred from purchasing merchandise directly over the internet. This large population apparently fears that , despite all the efforts at security and cryptography promised by the vendors, there still exists the probability that	Most of the disclosed systems have the disadvantage that they rely on the transmission of sensitive information over unsecured network routes and lines for each transaction. Although practically speaking, all the systems which rely on encryption are fairly safe, there is still some risk of credit card misappropriation and there is little psychological comfort given to potential users by their knowing that encryption is being used. In addition, the merchant does not know <u>whether the person making the purchase is actually the person whose name is on the credit card.</u>	P 5

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

<p>their credit account information will be intercepted on-line by a third party computer hacker and used illegally, at great expense and trouble for the card-holder. ...is that the merchant cannot always be certain that just because he has obtained credit card information, that he will actually be paid for the merchandise he ships.</p> <p><i>Encryption is mentioned here for the purpose of explaining the current state of the art and not as part of the invention.</i></p>		
<p><i>No mention of encryption in provisional application supporting David's system. Also see above.</i></p>	<p><u>All of the four components of the system employ a combination of security measures, for instance, all transmissions preferably take place in an encrypted environment, such as RSA, Triple DES, etc using encryption tables which are replaceable by the security server or by a central system administrator server at random interval.</u></p>	<p>P 56</p>
<p>legend: Normal words here shows the closest reference paragraph found in provisional application.</p> <p><i>Italic words are comments by applicant.</i></p>	<p><u>Underlined words</u> means new subject matter not supported in provisional application.</p>	

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

## **7. Discussion**

### **Claim 13**

Applying the above test, we found that publication US 2002/0073046 A1 by David (herein refer to as CIP) has disclosed P7, P 85-88, Fig 6-8, associated text as evidence by the examiner. However, on comparing with the provisional application filed 30 July 1999, these embodiments are not present and must necessarily constitute new matters unless the examiner can show otherwise ( See Table A). For example in P7, the only sentence common is " the purchaser selects his merchandise and the vendor usually request payment by one of several methods, one of which may include payment by providing credit card information. " We submit that the suggestion "payment by one of several methods" here is too broad and does not add any teaching to the art that would place one skilled in the art to practice using non credit cards without undue experimentation. As Judge Learned Hand put it "...if it does not inform the art without more how to practice the new invention, it has not correspondingly enriched the store of common knowledge, and it is not an anticipation." *Dewey & Almy Chem. Co. v. Mimex Co.*, 124 F.2d 986, 52 U.S.P.Q. 138 (2d Cir. 1942).

P 85-88 is about debit cards which disclosed username and password however said elements are not found in the earlier filed provisional application so constituting new matter. The obvious differences between a credit card, prepaid card and debit card should be viewed similarly to a class such as oxygen, nitrogen and carbon dioxide are all gases but they have different properties. It is also pertinent to note that a fund transfer may not necessarily be a payment as in David but any payment must necessarily involved a transfer of funds.

However, password is identified in Fig 3,4 of David's provisional application but its usage is in confirming a purchase rather than as disclosed in our application to authenticate the payer's account for validity ie prepaid account being linked to user account identifier in the database. See Fig 3 where it asked the user for confirmation of the purchase which is followed by Fig 4. David's uses an ISP model so its common in the art to have this step to access the ISP's services but this does not anticipate our claim where we are authenticating the validity of a linked pre-paid account rather than ISP services. Even if we count this as one element, the other element of user name is new matter found only in the CIP. David's provisional uses Buyer ID Code (Pg 9) and it is generated by the buyer's computer ( David Pg 9) which does not anticipate our self created account identifier as shown in Claim 13 & and self creation part in 14.

P 139 and P 10 of the CIP shows "currency" and " not limited to purchases" however these are not found in corresponding provisional application, hence constituting new matters. As for P 22 in CIP, the original provisional application provides " comprises a method for providing payment to an on-line merchant for services or goods provided to an on-line buyer" but in the CIP, it shows "commitment for a payment to an on-line vendor for services or goods provided to an on-line user" . It is also worth mentioning that in CIP at P 22, David



**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

5 broaden the scope to include uninterested third party independently confirming the identity and validating each transaction. The provisional application disclosed having an intimate business relationships between member computers only. ( pg 3) One skilled in the art will be quick to see the inclusion of uninterested third party as a broader scope to one having a business relationship as originally entered constituting new matters.

10 It is useful to note that in David's provisional the objective here is to able to confirm the identities of the buyer-ID and IP address via the ISP as the authenticator and validating each transaction wherein said information are received by vendor and pass to host server. But as in our claimed invention, we are interested in validating the prepaid accounts and their respective user account identifiers as the means for transferring of funds. In prepaid cards, we do not ask for real identities except for the user account identifier which is purely for the user to initiate fund transfer without having to remember their security codes from the cards, said identifier such as in the form of a telephone number as determined by the user or  
15 some nick/handle or even an email address.

20 In our method in Claim 14, we prompt the user to register by entering his or her preferred account identifier .In David's provisional application, the buyer ID code is self generated by buyer computer and the IP address is assigned on login which means they are not the same at each time, unless of course if the IP address is assigned permanently to the user's PC. In a dial-up ( Pg 4) situation as taught by David, IP addresses are assigned temporary for the sessions only. But as mentioned, our claim requires the payer to input their own accounts identifier and not as suggested by David assigned by the ISP in terms of buyer-ID and IP address.

25 As we do not confirm or need to verify the real identity of the user, we preserve the anonymity requirements as per regular money. This is not the same as in a credit card as the real identity of the payer is critical for its use.

30 However, we noted that David in said provisional application disclosed that the ISP is capable of being a "clearing house" between the user and merchant by generating a message confirming the purchase and agreeing to pay the invoice issued by the vendor's computer and to present an invoice against the credit card account of the user (pg 5).

35 We submit that these elements are not found in our claim 13 since we employed a double entry method to settle payment concurrently and instantly. There is no evidence in the art inherent to show a ISP's clearing house method as disclosed will "necessarily" reveal the concurrent and instant "credit and debit" mechanism of claim 13 used to settle between the payer and payee or that an artisan of ordinary skill would so recognize. The operant " if "  
40 means the steps must follow each other ie credit and debit once a condition is satisfied. Support for this instantaneous mechanism can be found at Line 15 Pg 3 of our specification "A final point is that this system is instantaneous and there is no waiting period like in a cheque system since all the money is already pre-paid."

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

In fact the use of pre-paid funds in a database linked to an user account identifier is not anticipated by David and only prepaid system has this inherent property for double entry method where funds are settled immediately without further need for external parties. One skilled in the art would be aware of credit cards system requiring an external issuer to confirm and settle the payment later ( See ISP invoicing client in David's at pg 5).

The second reason being the steps of requiring the payer to enter the account identifier of the payee and authenticating said account is not found in David. While one of ordinary skilled in the art may wish to point out that the step of passing payer's information by vendor ( Fig 2 of David) will "necessarily" disclosed the "entering payee's account identifier" step of our claim 13, we disagree. Our claim limitation specifically call for information to be entered by PAYER as the host computer prompt the PAYER to do so. A payer cannot be a vendor. For a 102(e) every element must be found explicitly or inherently to one skilled in the art. This we submit that one skilled in the art would not be able to anticipate said step in our claim from David's disclosure ( See Fig 1-5 of David, note Fig 6-8 in CIP are new matter) for the reason that such inherent step (if exit) is done by the vendor's machine while in our claim invention all steps are executed by the host interacting with the client/user. In short because there is no vendor's machine in our claim 13, said vendor or purchaser's information would not be able to be passed to the host server and it is not possible to combine a payer computer with a vendor computer since both are counter parties. David did not suggest passing said information directly to host server. This highlights the differences that our method in claim 13 is designed for payer to payee payment having account identifiers, which is not within David's scope.

Finally, all the steps in Claim 13 must be executable at the host server as per our preamble. This is the last element not found in David. The examiner also did not attempt to show ISP being the closest to our host server will "necessarily" disclosed the "executable at host server" limitation of claim 13 capable to perform ALL the steps for funds transfer between a payer and payee or that an artisan of ordinary skill would so recognize. We know that in David's the vendor's server actually performs some of the required interaction (like receiving IP address and Buyer Code-ID) but short of anticipating our claimed invention requiring all steps to be executed at host server with payer. Also as mentioned due to the nature of using credit card, the settlement stage of credit and debit of accounts must be done at the issuer's server wherein an ISP is not capable of performing said task. David's CIP did mention combining an ISP with a payment server at P 61 but this is not supported in his provisional. In short even David's in his later CIP recognize this short coming and attempted to over come this.

Given that only one of the element "password" is found, our conclusion must necessarily means this claim in its entirety is not anticipated by subject matters supported by David's provisional application corresponding to his CIP.

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

**“As arranged in the claim”**

In regards to this requirement, it is plain to see that the prior art's elements are arranged differently to our claimed invention as shown from Fig 1 - 5. Specifically, in method claim 13, we begin our steps with a presentation of the payer's account identifier and password at host server while David's discloses visiting of a vendor's website and only making presentment later after selecting a purchase. As mentioned, the next step is for the payer to introduce the payee's details but in David's it is the vendor who present the details which is then followed by confirming purchase whereas our step is one of validating payee's account. The last step of settlement is not disclosed in David for the reasons as explained above. Our plain conclusion is that the prior art CIP with corresponding supported subject matter does not anticipate our claimed invention as arranged in the claim.

We respectfully ask the examiner to withdraw this rejection and place the claim in allowance.

To make this claim even clearer we respectfully ask the examiner to add the line

whereby the funds are prepaid.

at the end of the claim. See our Appendix 1.

**Claim 17.**

This is the exact of Claim 13 except that it is an apparatus claim which also clearly identify this time in the body that steps encoded are stored in the host server which means all interaction must be done with the host server as a structural limitation. The rule of reading limitation from preamble is clear when the body does not reveal or support the complete invention, the preamble may be used as in this case which describes where the codes are to be executed and where one skilled in the art must necessarily see the same from the specification as well. The codes by itself must rely on a limitation to be executed.

In addition, this claim also limit this to prepaid card which is not found in David's. Our rebuttal is similarly to as discussed in Claim 13 and hence we respectfully ask the examiner to transverse this rejection.

**Claim 22.**

In this claim, while we did not specify that such codes must be executed on the host server connecting to a plurality of users, but because these codes are mirror to those found in the apparatus in Claim 17, one skilled in the ordinary art would recognize this limitation. However

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

for the sake of clarity, we would like to ask the examiner's permission to amend this to distinctively point this as per appendix 1. Our rebuttal is similarly to as discussed in Claim 13 and hence we respectfully ask the examiner to transverse this rejection.

**Claim 15.**

The differences between this Claim and Claim 13 only relates to the issue of paying to merchants or vendors specifically (strictly define as payment) while the former deals with users having an account identifier and using this means to transfer funds to each other (defined as fund transfer). Fund transfers may not necessarily involve a payment but a payment always involves fund transfer is well known in the art. In making this rejection, the examiner has relied on all the above citations found for Claim 13 from David's CIP. As we have submitted almost all of them are constituted as new matter except for password. David has teaching on payment only. Provisional application from Fig 1-5 which embodies the heart of David's invention can be used instead for this examination. Note again in an anticipation rejection, all elements must be found in David's disclosure including inherent ones as seen by one ordinary skilled.

Starting from the preamble itself, "convertible prepaid card" and in "any currencies" are not disclosed by David ( See Table A). While David's provisional shows credit card and payment amount, we submit that these two elements would not "necessarily" show a convertible prepaid card capable of paying in any currencies as disclosed in this claim. The differences between a credit card and a prepaid card is well known in the art and each do not share inherent properties other than being a "card".

Referring to the body of the claim, we submit that the step of "generating a second dynamic transaction code to the purchaser" and "generating a first dynamic transaction code to the host server" are not found in David. In David's the vendor's server actually send a purchase authorization request containing information about the merchandise to be purchased, identifying information about the proposed purchaser, some of which is the identifying information assigned by the ISP to the subscriber/purchaser. We submit that our first transaction code in part also contain information to authenticate the vendor and the purchase details and amount and are dynamically generated at each request. Because there is an authentication step later this means the information transmitted is not plain as in a ordinary request.

Moreover, the codes in part as used to authenticate the vendor are not anticipated by David. This is an important element as just as there are credit card frauds, there are also fictitious vendors which need to be authenticated. David has no teaching at all on this problem.

In any event, David certainly did not teach sending the second transaction code to the buyer or where the said code is inputted to the host server by purchaser to complete the authentication using the check sum method as per our specification. In fact the invention in

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

David as taught in the provisional application relies on IP address and Buyer-ID code in order to identify.

At the host server, this is followed by requesting the second transaction code and security code from the prepaid card which is not found in David. Even if we substituted a prepaid card to a credit card as in David, the fact that transmitting static numbers over the Internet is expressly opposed by David. As mentioned, David distinctively argues that sensitive information should not be sent on an unsecured line. ( See pg 4 where David's disclosed about sending credit card information by conventional means).

We managed to solve this problem by having one static sets of code (security code) combined with a dynamic code (transaction) to be send at the same time which makes it harder for hackers then if only the static number is sent alone or chaffing them. This step of combining both static and dynamic codes ('second code') is not anticipated since there is no second code in David.

As per a 102(e), this element of credit card information may be argued to be inherent to a prepaid card as seen by one ordinary skilled. We however submit this could not stand as information in a credit card includes not just numbers, but name, address, expiry date, CVS which is not found in our prepaid card. Because there is no transmission of any security code (Credit card information is with ISP and is only transmitted by convention means) in David and David explicitly reject the use of sending credit card codes over unsecured lines, the step of authenticating the said security code for validity is not found, we respectfully submit that said steps are not anticipated. We also managed to preserve the need for anonymity unlike using a credit card, an object that is not found in David

In summary, by the same reasoning that no second transaction code is sent to purchaser by vendor in David, the following steps are similarly not anticipated.

receiving the second transaction code and security code as inputted by purchaser;

authenticating the first transaction code and second transaction code; ( Assuming vendor's request is inherent to first transaction code but there is still no second transaction code)

authenticating the said security code for validity; ( David oppose sending security codes over unsecured lines)

The final steps of debiting and crediting or double book entry is also not found in David for reasons mentioned above in Claim 13. As mentioned this is a significant step found only for prepaid cards rather than in debit or credit cards since the latter requires the issuing financial institutions to settle the transactions. David also did not mention the use of debit card in his provisional application hence the citation P 85-88 in CIP is not supported.

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

So relevant to us is only credit card. It would be apparent to one skilled in the art to appreciate the differences here and to conclude that features found in a prepaid card is not inherent in a credit card and hence the final steps are not anticipated.

5 Furthermore given that not all the elements are found, we submit the test for arrange as in the claims would be redundant.

We respectfully ask the examiner to transverse this rejection for the same reason as Claim 13 and that is not all elements are found explicitly or inherently to anticipate.

10

Similarly we respectfully submit that Claims 19 and 24 be allowed based on the reasoning as in Claim 15 as the only differences here is the class type of claims.

15

**Claim 20**

Claim 20 is a dependent claim of Claim 19 and hence incorporates all limitation of Claim 19. As discussed we have submitted our response for Claim 19 above which we submit to be  
20 respectfully allowed. Claim 20 is basically structured to deal with the issue of purchases in foreign currency and the steps for the purchaser to pay a merchant in a different currency. The elements in this claim are only invoked when amount payable is in a different currency and hence its conditional. We could not find any teaching in David which inherently suggests that his invention is capable of asking purchaser to convert the amount in his prepaid  
25 account ( credit card in david's) to a different currency when a foreign currency payment is detected. We also submit such a step is not required in a credit card system where such conversion is automatically settled by the card issuer at the time of settlement without having to expressly request the purchaser to do so. Given that the ISP model as disclosed by David is not a card issuer or financial institution, the settlement steps of crediting and  
30 debiting would not be anticipated. David's provisional application disclosed that it is a clearing house but this does not inherently means it has a settlement feature as seen from one skilled in the art given that a credit card system requires external parties to manage its settlement. As noted the ISP in David still need to settle the payment with their client's credit provider by conventional means which means our steps of debit and credit at the time of purchase  
35 cannot be found due to the practice of using the credit card system. As mentioned, David's CIP suggested the use of a payment server in combination with the ISP which means recognition of this problem but unfortunately this is new matter and hence not admissible.

As this is a 102(e) anticipation rejection, hence every elements must be found here from David's CIP where the subject matter is supported by his provisional application. We submit that this is not the case. As discussed foreign currency as a subject matter is not found in David's provisional application and hence constitute new matter in the referenced CIP.

45 This is also an apparatus claim with corresponding method and article claims subject matter in Claim 16 and 25 respectively. We therefore respectfully submit that this claim and claim

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

16 as well as 25 to be traversed against a 102(e) rejection. As for obviousness under 103(a), this will be discussed as below.

5 **Claim 21**

10 Claim 21 is a dependent of Claim 19 and therefore includes all of the limitations of Claim 19. As discussed above the subject matter of "encryption", Claim 19 is not anticipated by David's by what is supported in his provisional disclosure ( See Table A). We opined that said citations provided by examiner on David's CIP (P 56) is actually new matters not found in the original provisional application and hence inadmissible. In fact David's invention is specifically aimed to design around the use of encryption by using an ISP to front for the purchaser and to bill all payments by conventional means later. In David's provisional application and CIP (P 15 5), encryption was mentioned in reference to existing art to differentiate the usefulness of his invention but this does not form any part of his invention at that time. Since there is no teaching here to add to our knowledge, its not anticipated.

20 As such applicant respectfully submits Claim 21 be allowed.

**8. The test of obviousness under section 103(a)**

25 To establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In re Royka , 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." In re Wilson , 424 F.2d 1382, 165 USPQ 494, 496 (CCPA 1970). The test of obviousness requires that one compare the claim's "subject matter as a whole" with 30 the prior art "to which said subject matter pertains." 35 U.S.C. § 103. The inquiry is thus highly fact-specific by design. This is so "whether the invention be a process for making or a process of using, or some other process." In re Kuehl, 475 F.2d 658, 665, 177 U.S.P.Q. (BNA) 250, 255 (CCPA 1973). When the references cited by the examiner fail to establish a prima facie case of obviousness, the rejection is improper and will be overturned. In re Fine, 35 837 F.2d 1071, 1074, 5 U.S.P.Q.2D (BNA) 1596, 1986 (Fed. Cir. 1988). Moreover, the obviousness test is "what the combined teachings of the references would have suggested to those of ordinary skill in the art." In re GPAC Inc., 57 F.3d 1573, 1581 (Fed. Cir. 1995). In Richard Ruiz v Chance Co (No\_ 99-1557, United States Court of Appeals for the Federal Circuit, decided December 6, 2000) "In order to prevent a hindsight-based obviousness 40 analysis, it has been established that the relevant inquiry for determining the scope and content of the prior art is whether there is a reason, suggestion, or motivation in the prior art or elsewhere that would have led one of ordinary skill in the art to combine the references."

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

## **9. Discussion**

### **Claims 16, 20, 25**

5 The examiner has asserted Claims 16, 20, 25 as obvious over David US 2002/0073046 A1. (herein the CIP). As per our first discussion, this obviousness can only be based on subject matters that are clearly enunciated in the first filed provisional application. (herein David).  
10 The examiner also asserted that all limitations are met under claims 15, 19, 24 wherein our claims 16, 20, 25 are dependent on. As discussed above, we submit this is not the case. The examiner further asserted that David's CIP did disclose his invention would accommodate any stored value in any currency and relates this to his rejection in Claim 13 by citing P 10 and P 139. This is not the case as this assertion's corresponding subject matter is not found in the original provisional application and hence constitute new matter, not able to claim the earlier  
15 filing date of Jul 30, 1999 which predates our filing date. ( See Table A)

Even if this 'currency' subject matter is admissible, our reading in CIP made no mention of accommodating any stored value in any currency, just that when transmitting the purchase information, the currency of the purchase amount is an element. We are not persuaded that  
20 one skilled in the art would see the currency of the purchase amount being transmitted to suggest a currency conversion step. For example a US credit card would be billed in US dollars and not in any other currencies is well known in the art. As mentioned debit cards and/or stored cards are not taught by David's provisional so even if they are found in the CIP, these constitute new matters underpinning said features are different.

### **Is it obvious for a currency conversion step and acceptance by purchaser in David's ?**

30 While David did not teach of currency, it is also pertinent for us to examine this conversion question under the obviousness test. In David's provisional application there is a teaching of using a credit card but not debit card or prepaid card so we can only discuss credit card operations to see if there is a need for our claimed steps.

35 A credit card by its very nature depends on the credit provided by the issuer and is usually in one currency. It is also well known in practice that after the transaction is booked, the credit card issuer will take the value of the purchase in the designated currency and converts this to the locally issued card's currency at the point of settlement and bill this said amount to the clients in their local currency. In short, this step is done without any intervention by the credit card holder or borrower.

40 The examiner held that " any transaction system designed to work over global electronic networks such as the internet would require a currency conversion step and user confirmation/acceptance of the results of such step whenever funds are being debited or credited ..... "



**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

While the examiner rightly pointed out the need for such conversion despite no teaching in the art, the question here is whether the claimed steps are obvious in combination with a credit card system as disclosed in the art ?

- 5 The features of a credit card is such that settlement is not done instantly but later usually within 24-48 hours after booking a transaction. The only verification done at the point of purchase by a credit card verifier is that the card number exist, not reported stolen, in good standing as in having enough credit limit and the address matched (ie the CVS requirement introduced in 2000). If the converted amount is shown to be higher than the credit limit, the
- 10 credit card issuer will have to make a judgement whether to allow such a purchase since they will ultimately have the bear the risk, not the purchaser or call the purchaser for confirmation. If it is denied for insufficient funds then the purchase is denied. And settlement is done between different issuers and the merchants' banks through the SWIFT network.
- 15 Both Master Card and Visa serve to book the transaction and card verification is done through VisNet. Once booked, the issuer bank of the purchaser's card steps in to guarantee payment and will pay either Visa or Master Card a fee. Hence it is known as a credit card as the nature of the purchase is on credit and not as in our claimed invention by prepaid funds.
- 20 And the difference with a prepaid card is that money is already paid, hence no credit which also means money can be instantly settled at the time of purchase. The question is if it is obvious to join the steps as per our claim in an credit card environment assuming there is a teaching of international purchases ?
- 25 Our conclusion is that based on a credit card system as known today in the art, such steps as our claim 16, 20, 25 will not be practicable as seen by one skilled in the art. This is because the rate of exchange at the time of purchase and at the time of settlement may be different hence leaving a risk to the card issuer, the credit provider. Any additional steps to ask the card holder (borrower) to approve the converted amount would be administratively
- 30 unmanageable and due to the time delay, in the event of a rejection would cause a higher risk to the merchant who has shipped the goods, particularly electronic deliverable goods. Moreover, the fact that one is using credits from the card issuer for purchase means the settlement has to depend on the creditors at the rate of their choosing since in theory these are not the purchaser's funds. Therefore asking the purchaser to approve/reject the
- 35 converted amount would not be an obvious step or appropriate step. In short one skilled in the art would be able to recognize it is illogical for a borrower to make a determination on the conversion step on funds belonging to the lender.
- 40 As mentioned this is one of the object to provide certainty to purchaser to foreign exchange exposure in our invention not found in David.
- 45 As we recalled, David's provisional has no suggestion of currency or even mentioned prepaid cards and under 103 (a) there must be a reasonable expectation of success for combining as seen from one skilled in the art. Our conclusion can only be that the examiner has used forbidden hindsight to reach our claims 16, 20, 25 to justify the benefit.

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

As for the actual settlement mechanism itself ie the steps as in our claims, we submit that because David's has no teaching of them nor obvious in the art as explained above nor can the examiner provide evidence that they are well known to do so via a computer network using a prepaid card as in the claimed invention within the limitations of 15, 19, 24, said claims 16, 20. 25 be respectfully allowed.

**Claims 14, 18, 23**

The examiner has asserted that the said claims as being unpatentable over David CIP in view of Stimson US 5577109.

Claims 14, 18, 23 are dependent claims of 13, 17, 22 respectively which we have discussed above as being patentable as all limitations are not met as per supported subject matter found in David's provisional application under a 102(e) rejection.

We will examine the assertions by the examiner as per Stimson as cited ( C2, L1-4, L 25-30, L 32-36, L 38-39, L 42-44 and C3 L 64-67)

**The Stimson's Invention in brief.**

Stimson meets the prepaid card system for making purchases (payment) with each card having a security number associated therewith. The invention provide on-site activation and recharging of cards in customer-defined amounts. One of the object of the invention is to provide a prepaid card system and method that facilitates point of sale activation of cards using data terminals connectable to a host computer (C2, L1-4). The host computer maintains a data base of authorized cards, the database including detailed information about the authorization, recharge and use status of each card in the system (C2, L 25-30). Said system enables customers to access a telephone network and obtains long distance telephone service. (C2, L 32-36) The prepaid card has a security code in cleartext under a suitable blackout and is made from plastic or cardboard. (C2, L 38-39) The host computer is connected to a telephone network and contains a database (C2, L 42-44). The card includes a read-only memory stripe having stored therein a security number. (C3 L 64-67) According to Stimson's the invention it is a method to purchase variable amounts of calling time or to recharge " used" cards at the retail site.

**Discussion**

In brief, the examiner had applied 2 different obviousness combination. The first being the activation step in Stimson and the second based on the assumption of David's currency reading in CIP. As mentioned the currency factor is discounted since it is not found in David's provisional. Claim 14 which is a representative here of 18, 23 is also dependent on Claim 13

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

relating to the step of linking an user account identifier to a prepaid value used for intra-fund transfers in Claim 13. Note that a transfer may not necessarily be qualified as a payment as in David or Stimson.

5    Subject matter Support

10    The examiner has asserted that David in CIP does not disclose the activation of a debit card as part of his invention. First of all, it is important to clarify to the examiner that a debit card was even not disclosed in David's provisional application and hence debit card as found in CIP is unsupported. This means only credit card in David can be used as the subject matter.

15    Our reading of Stimson, actually details how to transfer funds in a debit card to recharge a prepaid card and using the debit card in lieu of a prepaid card. Basically this means transferring funds out of a debit card account into a prepaid account (Col 6 Lines 26-45) provided by vendor and using the debit card as a link back to the prepaid account. In short transferring from ones own debit account to ones own prepaid account hold by a vendor. Stimson did not teach of multiple or independent vendors ( other than card issuer selling the service) but rather combining the vendor and the issuer as one.

20    Therefore the examiner's assertion of Stimson disclosing how a debit card may be activated is not technically correct, as the debit card only serves in securing the initial funds for the prepaid account and later functions as a "prepaid card" for the portion of funds it has committed for prepaid at the host server. Debit cards usually bear some kind of identification embedded in the card that can be linked to a current account for transactions. A debit card  
25    such as a ATM card (magnetic stripe or with chips) is usually link to some current account. This identification means is used in lieu to the security code as taught by Stimson.

30    Is there any benefit to motivate one skilled in the art to combine a credit card payment with an activation step to add funds ?

35    Based on this evidence, we could not find any motivation from the two said references to combine a credit card operation in David with one of activating a prepaid card in Stimson to show our claimed invention of creating or linking user accounts and storing value or activation in the database for the reason as followed.

40    Firstly. there is no benefit in storing any value for a credit card since in theory a credit card provides ready credit from the card issuer. In short while there is no stored value in a credit card, it has a credit line which can be used. This is to say, the user is applying the card issuer's funds first as versus using his own funds in a prepaid. The resultant is that the user has to pay a charge for the issuer's funds while there is no charge for using his own funds in a prepaid. While these differences are subtle they are important as they reflect the operations of both card systems as we shall discuss below. We cannot see any benefit from adding prepaid value on top of a credit line and one skilled in the art would not be motivated to combine with Stimson's teaching.

45

Application number: 09/396005

Art Unit: 3621

Applicant: Khai Hee Kwan

Examiner: Le, David Q.

Title: Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

Secondly, David's provisional application did not provide support for "currency" or "prepaid" hence

5 ..storage period and currency  
...calculating the stored value;  
..output stored value to user

10 these elements should be allowed. Similarly should this "currency" be admissible, we submit the same reasoning here as found under section "**Is it obvious for a currency conversion step and acceptance by purchaser in David's ?**" (see above.)

15 Thirdly, David's provisional application did not provide support for "debit cards" or "Pre-paid cards." In Stimson, there is teaching on using a credit card but this is only in relation of pre-authorizing the card with an amount to be spend, similar to our discussion on debit card above. This is to say the credit card is used to fund a prepaid account (credit limit less amount charged) and the card then functions as a prepaid instrument for linking to the system. Col 6, lines 26-40.

20 Are our claim steps obvious in activation ?

25 Next, we look at Stimson to see if it actually teaches activation as per our claims 14, 18, 23 or whether it has met all the elements under a 103(a). "All words in a claim must be considered in judging the patentability of that claim against the prior art." In re Wilson , 424 F.2d 1382, 165 USPQ 494, 496 (CCPA 1970). The mere teaching of activation is not sufficient unless all the elements are suggested and disclosed in the prior art. We also note that the citation by the examiner merely shows the invention but not the activation steps required. We therefore have to look else where in Col 5 line 65 -67, Col 6-Col 7 of Stimson.

30 Other than the first three steps in Claim 14, our reading of Stimson shows that the activation process has not meet the element limitations or obvious as compared to ours in one significant way and that is Stimson does not suggest the use of an user identifier. Stimson instead depends on cards to recharge or make purchases. This dependency on the card is enunciated throughout Stimson is evidence. David uses an IP and Buyer Code-ID which are generated by ISP and buyer PC respectively on login. Furthermore, none of the prior arts suggest intra-fund transfer.

35 Self-determine User identifier account not obvious

40 In our Claim 14, the linking of an identifier account follows the first three steps said above and forms the first stage of linking the user identifier to a prepaid value. The rest of the steps deals with the storage value and steps to confirm this value. This will be discussed in turn below.

45 To appreciate the user account identifier, an element not found in Stimson, for example, when one wish to pay another person then one can either enter their nick, number such as

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

their phone number or even name as long as these are designated account identifier by this operation. In Stimson, one would need to ask for the security code of the card of the payee to affect payment but we are sure in practice the payee will not provide such information. Therefore it is critical to be able for any user to select their own account identifiers not only to store their prepaid value but also to link them for usage later either in receiving funds or transfer funds.

Stimson merely teach the activation of a card or use other cards such as credit/debit in lieu of the prepaid card and this is limited to ones own card. There is no teaching in Stimson of linking the security code or PIN to something that the card holder can remember more easily such as a self-created account identifier. In Stimson, these cards are the key to the system to reach the prepaid funds while in our claimed invention, we substitute the prepaid cards with an user account identifier under this claim. As mentioned in Stimson, the card is retained because it has the security code needed for initial access ( Col 7 Lines 5-10). In fact, Stimson uses the card security code as the identifier to activate the card system and to link this card to make payment using the security code supporting our position that a card is needed at all times. In short if the card is lost, ones funds is lost as well.

Our claimed invention under claims 15, 19, 24 for merchant payment requires the retention of the card but as for claims 13, 17, 22 an user identifier is used in lieu. Neither David nor Stimson teach of intra fund transfer methods with user account identifiers which forms the independent claims for our current discussion and we are not persuaded that Stimson's invention can function without a prepaid card during the purchase process. Various part of Stimson actually mentioned the use of electronic readers. Therefore, we submit that this claimed subject matter of linking to a self-created account identifier is not obvious to one skilled in the art and not suggested by Stimson.

As noted once our card's value is linked to an user identifier in the host server where such identifier is chosen by the user, it has no value even if the security code are inputted again. Our claims steps include to check if the card is already linked first

"...determining if any identifier account is associated with the security code;"

Even if it may be well known steps to activate a card (any cards) as the examiner suggest, it is not well known to do so for the purpose as claimed in our independent claims 13, 17, 22, that is intra-fund transfer which may not necessarily be a payment. In short without a vendor's participation.

Furthermore, as in all 103(a) rejection, the present of said elements are insufficient, there must be a teaching, suggestion or motivation found in the two cited prior arts to combine.

The motivation here provided by the examiner " in order to provide a stronger protection element to the debit/stored value card system and the benefit being that the card user will be assured that only once properly activated by himself, will the account associated with the card be accessible for transactions. "

Application number: 09/396005

Art Unit: 3621

Applicant: Khai Hee Kwan

Examiner: Le, David Q.

Title: Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

We also disagree with the examiner's explained benefit here because our method actually teach once linked to the user account identifier, the card is no longer useful and hence does not meet the prior art or obvious or as the examiner suggest " the account associated with the card be accessible for transactions. " In fact, the card is no longer accessible for transactions as it is replaced by the user account identifier.

Nevertheless given that David's provisional application does not disclose the limitations of claims 13,17,22, we submit that it is no longer obvious for one skilled in the art to combine with Stimson to reach our claimed invention in dependent Claims 14, 18, 23. While a 103(a) can still be effective on a single prior art (Stimson), said art is still short on the teaching of creating an user account identifier which is not obvious to one skilled in the art at the time the claimed invention was conceived.

Lastly, the steps on storage period, calculating the stored value, currency to be stored (see our discussion below) were not suggested by Stimson. The currency factor has been discounted as it is not supported by David's provisional application. Furthermore the art in Stimson shows that prepaid card is issued with a expiry date but in our claimed invention, the user decides this date in part by inputting the storage period.

**Storage period, currency to be stored, calculating stored value, confirmation by user.**

The examiner has asserted that a currency conversion step is obvious in light of David's CIP claiming that his invention would accommodate any stored value in any currency. As we discussed this earlier, this subject matter was not found in David's provisional application and hence constitute new subject matter. ( See David's CIP at P 10 and P 139) Actually P 10 does not mention any thing about currency and only says implementing a secure transactions including but not limited to purchases over a computer network. Similarly this does not find support in the provisional application and therefore new matter. As for P 139, the only mention of currency is found at lines 5-7 of said paragraph as cited below " Vendor passes the payment details (invoice number, invoice amount, currency) to the TB's authentication server." We submit that the passing of the payment currency element is but no means an indication that it is capable of storing other currencies as in our claimed invention.

Furthermore, it is well known in the art that conversion of any currencies is only done by the credit card issuer at the point of settlement and not as in our claimed invention at the point of storing a prepaid amount with the purchaser's acknowledgement. A credit card issuer only issues the credit amount in a specific currency and any purchases done in other currency is only settled at the time of settlement between the merchant's bank and the issuer. Our step here means, the prepaid card owner can choose any currencies (including his local currency) to store or be linked to his account identifier before making any transaction, a step that is not known in the credit card art or debit card.

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

In any event, David's did not disclose said currency word in his provisional application and has never taught of any conversion steps either in the CIP except for the word "currency". It would be difficult for one skilled in the art to leap from this word to conclude elements like a manual conversion step undertaken by prepaid card owner, storage period, confirmation steps and so on. "A reference must be considered not only for what it expressly teaches, but also for what it fairly suggests," In re Burckel, 592 F.2d 1175, 1179, 201 USPQ 67, 70 (CCPA 1979), and we are not convinced by reading the entire CIP and provisional application disclosure by David that it fairly suggest that it can store in any currency, particularly when the word currency is not supported in the provisional.

Even if the Examiner's assertions are correct, applicant maintains that the claimed invention is still patentable in light of what is known in the art. Credit card payment over the net was being popularized in 1999 but there is no prepaid card intra-fund transfer system as claimed herein. And while currency exchange has been around for ages, it is still not obvious as described in our claim invention, wherein including storage period, loyalty, interest rate, which are not fully appreciated but are nevertheless taught by us in our storage formula.

Our storage formula includes these elements that are already pre-stored in the system such as the exchange rate, interest rate and loyalty factor which are not accessible or inputted by the user. Said elements in totality commits to calculating the stored value and not merely as the examiner suggested, the currency exchange factor. In fact the user can store in their local currency as taught in our specification as well as to agree or reject to said value as a prelude to linking to their self-created or existing account identifier.

The main consideration is whether it is obvious to one skilled in the art to include all these elements as the subject matter as a whole as compare to Stimson's storing/activation ? We respectfully submit that it would not be obvious in terms of what is taught in David's in view of Stimson.

In Richard Ruiz v Chance Co (No\_ 99-1557, United States Court of Appeals for the Federal Circuit, decided December 6, 2000) "In order to prevent a hindsight-based obviousness analysis, it has been established that the relevant inquiry for determining the scope and content of the prior art is whether there is a reason, suggestion, or motivation in the prior art or elsewhere that would have led one of ordinary skill in the art to combine the references." From the prior arts, we could not find any suggestion to either creating a user identifier account or to link prepaid amount to said accounts for the benefit of making funds transfer. We can only conclude that impermissible hindsight was used.

We respectfully ask the examiner to allow the claims 14, 18, 23

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

#### **10. Other Issues.**

5 For completeness, we would like to apply a 103(a) with Stimson in view of David's teaching in the provisional application for Claims 13 and 15.

10 We submit that the subject matter for intra-fund transfer using account identifier is not found in either of the prior arts and hence one ordinary skilled would not be able to combine to reach our claim 13. Therefore, currencies, prompting for payer account identifier are similarly not obvious. In Stimson to enable a payer to pay another means, the payer needs to know the card account for the payee which is imbedded in the pre-paid card or credit or debit card's ID which means the payer must physically has access to this card and his own card to transfer funds. Such experimentation is not the standard for obviousness. It is well known the one ordinary skilled is a plodder and not one of inventiveness.

15 Similarly David teach of using a Buyer-ID generated by buyer's PC but in order to make a purchase, the payer would need to know the payee's Buyer ID, a subject matter which can only be generated at the payee's PC which may not even be known to the payer or payee as it changes from time to time.

20 We could not find any motivation from these two prior arts where one uses a prepaid card and the other uses a credit card for making purchases, given that there is no benefit to combine two separate systems. For example, both arts teach using credit card and prepaid card for payment purposes and not as in our claim for intra-fund transfer. Moreover, even if they are combinable without any teachings, we submit said disclosures would not be able to reach our fund transfer using account identifiers method.

25 As for Claim 15, we have considered that it similarly suffers from lack of teachings. In particular the second code from the vendor to the buyer or authenticating the vendor as per our rebuttal above for a 102(e). Stimson, actually teach purchase using a prepaid card where the card's security code is used to access the system. In Stimson, the security code is found at the back of the card or by way of swiping a card. Said security code can be used as account identifier to access the system. User is then ask to enter a PIN and this is followed by amount etc. The system checks this amount against the prepaid value and so on. (30 Stimson Col 7 lines 1-25). It is also critical to note that in Stimson the art seems to teach "a particular service or good" linked to the prepaid card issuer. In short the art does not appear to teach whether it can accept the prepaid card on behalf of other vendors or none pre-paid card issuers. For example if the prepaid card is issued by a particular telephone service provider then it can only be used for payment for said service. This means each vendor must issue their own cards which is unlike our claimed invention where we have unrelated vendors who are not the issuer of the prepaid cards but nevertheless willing to accept these cards hence we have included a step for authenticating the vendor. Stimson does not teach of authenticating the vendor or checking if the vendor has an account with the host server and must necessarily means the vendor and card issuer is one of the same. In 1995 when (40 Stimson conceived his invention, prepaid cards are regularly issued by specific



**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

telecommunication company for use within their own network only. So while Stimson teaches purchase in the art it is meant for one vendor or card issuer unlike our claimed invention. Furthermore, Stimson has no teaching of paying in any currencies and David does not provide such insight as found in the provisional application. There is no teaching of applying a second transaction code or user submitting such code for authentication of vendor in David either. David does not have any teaching at all to authenticate the vendors, a subject matter that is not obvious although the problem of fictitious vendors is quite obvious in practice.

We therefore respectfully conclude that neither David's subject matter in provisional nor Stimson individually or in view meet our claims 13 and 15 under a 103(a) obviousness requirement.

**11. Amendments in Appendix 1.**

Accompanying our response here, we have made some amendments to further distinguish our claims 13, 14, 17, 18, 22 and 23. The claims 13, 17, 22 includes an addition to show funds is prepaid. As for 14, 18 and 23, the applicant has included one more element to cover the situation when the user account identifier and password combination is not unique (ie existing accounts). We believe these amendments are within the scope of our rebuttal above. We respectfully ask the examiner to allow and enter these amendments.

Application number: 09/396005

Art Unit: 3621

Applicant: Khai Hee Kwan

Examiner: Le, David Q.

Title: Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

**12. Conclusion.**

- 5 The amendments and the arguments presented above are believed to traverse the Examiner's rejection under 35 U.S.C. §103(a) and §102(e). Reconsideration of the rejection is requested.
- 10 I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of any
- 15 application, any patent issuing thereon, or any patent to which this verified statement is directed.

20  
Date: 10 May 2013

25  
  
Khai Hee KWAN